Amendments to the Specification:

On page 1, please replace the title with the following amended title:

IMAGE COMPRESSION BY DIFFERENCES WITHIN A STRIP

On page 1, please replace the Cross-Reference paragraph with the following amended paragraph:

This application claims priority from provisional application Appl. No. 60/279,469, filed 03/28/01. ~~The following pending US patent applications disclose related subject matter and have a common assignee with the present application: Serial No. 09/...., filed ___/___/____.~~

In the Abstract of the Disclosure, please replace the single paragraph with the following amended paragraph:

A method of image/video compression by analysis of variability of block DCT coefficients in a strip of (macro)blocks to decide on treatment of the blocks in the strip as either encoding each block or approximation of all blocks in the strip by the corresponding strip of (macro)blocks of a prior image.